

IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

PROFIT POINT TAX TECHNOLOGIES,  
INC.,

*Plaintiff,*

v.

DPAD GROUP, LLP, JOHN MANNING, and  
DANIEL STEELE,

*Defendants.*

Civil Action No. 2:19-cv-698

Hon. William S. Stickman IV  
Hon. Maureen P. Kelly

**ORDER OF COURT**

Plaintiff, Profit Point Tax Technologies, Inc. (“PPTT”), a service company that works with companies to calculate income tax incentives for federal income tax purposes, is pursuing claims against Defendants DPAD Group, LLP (“DPAD”), John Manning (“Manning”), and Daniel Steele (“Steele”) (collectively, “Defendants”) as a result of a dispute over who is owed fees for specialized income tax services work performed. (ECF No. 27). Manning and Steele are tax professionals who provide services related to domestic activity deductions under Section 199 of the Internal Revenue Code. Steele became an independent contractor of PPTT in 2006 or 2007, and Manning became an independent contractor of PPTT in 2011. In May 2015, Manning and Steele formed their own tax services company, DPAD. PPTT’s claims (Count I – Breach of Contract against Manning and Steele; Count II – Breach of Fiduciary Duty against Manning and Steele; Count III – Unjust Enrichment against DPAD; Count VI – Intentional Misrepresentation against Defendants; and Count VII – Negligent Misrepresentation against Defendants) arise from Defendants’ alleged usurpation of PPTT’s business through the use of PPTT’s confidential

information and other resources in soliciting PPTT's clients. Defendants, in turn, are asserting counterclaims against PPTT and its sole shareholder, Patrick Sweet ("Sweet"), arising out of allegedly unpaid fees on tax services projects. (ECF No. 101). Pending before the Court is Defendants' Motion for Summary Judgment on the First Amended Complaint ("Motion for Summary Judgment"). (ECF No. 258).

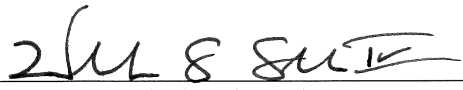
The Honorable Maureen P. Kelly issued a Report and Recommendation recommending that the Court grant Defendants' Motion for Summary Judgment. (ECF No. 302). The parties were given the opportunity to file Objections, and PPTT did so. (ECF No. 304). DPAD, Manning and Steele then filed a Response to PPTT's Objections. (ECF No. 306).

After its independent *de novo* review of the record and consideration of the pleadings of the parties, the Court hereby ADOPTS Magistrate Judge Kelly's Report and Recommendation as its Opinion. The Court OVERRULES PPTT's objections. It concurs with Magistrate Judge Kelly's thorough analysis of PPTT's claims and her legal conclusions. The Court holds that Count VI is barred by the statute of limitations. It further holds that Counts I, II, III and VII are barred by the February 2, 2016 Master Fee Splitting Agreement and Release (the "Release"), and that the alleged fraud (in the inducement of the Release) does not support invalidating the Release.

AND NOW, this 27 day of February 2023, IT IS HEREBY ORDERED that Defendants' Motion for Summary Judgment (ECF No. 258) is GRANTED. Summary judgment will be entered in favor of Manning and Steele and against PPTT as to Counts I and II, in favor of DPAD and against PPTT as to Count III, and in favor of Defendants and against PPTT as to Counts VI and VII in the First Amended Complaint.

A separate Judgment Order will follow.

BY THE COURT:

  
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WILLIAM S. STICKMAN IV  
UNITED STATES DISTRICT JUDGE